

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Records Act is amended by changing
5 Section 9 as follows:

6 (5 ILCS 160/9) (from Ch. 116, par. 43.12)

7 Sec. 9. The head of each agency shall establish, and
8 maintain an active, continuing program for the economical and
9 efficient management of the records of the agency.

10 Such program:

11 (1) shall provide for effective controls over the creation,
12 maintenance, and use of records in the conduct of current
13 business and shall ensure that agency electronic records, as
14 specified in Section 5-135 of the Electronic Commerce Security
15 Act, are retained in a trustworthy manner so that the records,
16 and the information contained in the records, are accessible
17 and usable for reference for the duration of the retention
18 period; all computer tape or disk maintenance and preservation
19 procedures must be fully applied and, if equipment or programs
20 providing access to the records are updated or replaced, the
21 existing data must remain accessible in the successor format
22 for the duration of the approved retention period;

23 (2) shall provide for cooperation with the Secretary in

1 appointing a records officer and in applying standards,
2 procedures, and techniques to improve the management of
3 records, promote the maintenance and security of records deemed
4 appropriate for preservation, and facilitate the segregation
5 and disposal of records of temporary value; and

6 (3) shall provide for compliance with the provisions of
7 this Act and the rules and regulations issued thereunder.

8 If an agency has delegated its authority to retain records
9 to another agency, then the delegate agency shall maintain the
10 same, or a more diligent, record retention methodology and
11 record retention period as the original agency's program. If
12 the delegate is from the legislative or judicial branch, then
13 the delegate may use the same record retention methodology and
14 record retention period that the delegate uses for similar
15 records.

16 (Source: P.A. 92-866, eff. 1-3-03.)

17 Section 10. The Comptroller's Records Act is amended by
18 changing Section 7 as follows:

19 (15 ILCS 415/7) (from Ch. 15, par. 31)

20 Sec. 7. Certificate of destruction. Before the destruction
21 of any warrants or records pursuant to this Act, the State
22 Comptroller shall have prepared a certificate setting forth by
23 summary description the warrants or records and the manner,
24 time and place of their destruction. The certificate ~~shall be~~

1 ~~signed by at least 2 witnesses of such destruction and~~ shall be
2 kept in the permanent files of the Comptroller.

3 (Source: P.A. 78-592.)

4 Section 15. The State Finance Act is amended by changing
5 Sections 12 and 25 as follows:

6 (30 ILCS 105/12) (from Ch. 127, par. 148)

7 Sec. 12. Each voucher for traveling expenses shall indicate
8 the purpose of the travel as required by applicable travel
9 regulations, shall be itemized and shall be accompanied by all
10 receipts specified in the applicable travel regulations and by
11 a certificate, signed by the person incurring such expense,
12 certifying that the amount is correct and just; that the
13 detailed items charged for subsistence were actually paid; that
14 the expenses were occasioned by official business or
15 unavoidable delays requiring the stay of such person at hotels
16 for the time specified; that the journey was performed with all
17 practicable dispatch by the shortest route usually traveled in
18 the customary reasonable manner; and that such person has not
19 been furnished with transportation or money in lieu thereof;
20 for any part of the journey therein charged for.

21 Upon written approval by the office of the Comptroller, a
22 State agency may maintain the original travel voucher, the
23 receipts, and the proof of the traveler's signature on the
24 traveler's certification statement at the office of the State

1 agency. However, nothing in this Section shall be construed to
2 exempt a State agency from submitting a detailed travel voucher
3 as prescribed by the office of the Comptroller.

4 An information copy of each voucher covering a claim by a
5 person subject to the official travel regulations promulgated
6 under Section 12-2 for travel reimbursement involving an
7 exception to the general restrictions of such travel
8 regulations shall be filed with the applicable travel control
9 board which shall consider these vouchers, or a report thereof,
10 for approval. Amounts disbursed for travel reimbursement
11 claims which are disapproved by the applicable travel control
12 board shall be refunded by the traveler and deposited in the
13 fund or account from which payment was made.

14 (Source: P.A. 84-345.)

15 (30 ILCS 105/25) (from Ch. 127, par. 161)

16 Sec. 25. Fiscal year limitations.

17 (a) All appropriations shall be available for expenditure
18 for the fiscal year or for a lesser period if the Act making
19 that appropriation so specifies. A deficiency or emergency
20 appropriation shall be available for expenditure only through
21 June 30 of the year when the Act making that appropriation is
22 enacted unless that Act otherwise provides.

23 (b) Outstanding liabilities as of June 30, payable from
24 appropriations which have otherwise expired, may be paid out of
25 the expiring appropriations during the 2-month period ending at

1 the close of business on August 31. Any service involving
2 professional or artistic skills or any personal services by an
3 employee whose compensation is subject to income tax
4 withholding must be performed as of June 30 of the fiscal year
5 in order to be considered an "outstanding liability as of June
6 30" that is thereby eligible for payment out of the expiring
7 appropriation.

8 (b-1) However, payment of tuition reimbursement claims
9 under Section 14-7.03 or 18-3 of the School Code may be made by
10 the State Board of Education from its appropriations for those
11 respective purposes for any fiscal year, even though the claims
12 reimbursed by the payment may be claims attributable to a prior
13 fiscal year, and payments may be made at the direction of the
14 State Superintendent of Education from the fund from which the
15 appropriation is made without regard to any fiscal year
16 limitations, except as required by subsection (j) of this
17 Section. Beginning on June 30, 2021, payment of tuition
18 reimbursement claims under Section 14-7.03 or 18-3 of the
19 School Code as of June 30, payable from appropriations that
20 have otherwise expired, may be paid out of the expiring
21 appropriation during the 4-month period ending at the close of
22 business on October 31.

23 (b-2) All outstanding liabilities as of June 30, 2010,
24 payable from appropriations that would otherwise expire at the
25 conclusion of the lapse period for fiscal year 2010, and
26 interest penalties payable on those liabilities under the State

1 Prompt Payment Act, may be paid out of the expiring
2 appropriations until December 31, 2010, without regard to the
3 fiscal year in which the payment is made, as long as vouchers
4 for the liabilities are received by the Comptroller no later
5 than August 31, 2010.

6 (b-2.5) All outstanding liabilities as of June 30, 2011,
7 payable from appropriations that would otherwise expire at the
8 conclusion of the lapse period for fiscal year 2011, and
9 interest penalties payable on those liabilities under the State
10 Prompt Payment Act, may be paid out of the expiring
11 appropriations until December 31, 2011, without regard to the
12 fiscal year in which the payment is made, as long as vouchers
13 for the liabilities are received by the Comptroller no later
14 than August 31, 2011.

15 (b-2.6) For fiscal years 2012 and 2013, interest penalties
16 payable under the State Prompt Payment Act associated with a
17 voucher for which payment is issued after June 30 may be paid
18 out of the next fiscal year's appropriation. The future year
19 appropriation must be for the same purpose and from the same
20 fund as the original payment. An interest penalty voucher
21 submitted against a future year appropriation must be submitted
22 within 60 days after the issuance of the associated voucher,
23 and the Comptroller must issue the interest payment within 60
24 days after acceptance of the interest voucher.

25 (b-3) Medical payments may be made by the Department of
26 Veterans' Affairs from its appropriations for those purposes

1 for any fiscal year, without regard to the fact that the
2 medical services being compensated for by such payment may have
3 been rendered in a prior fiscal year, except as required by
4 subsection (j) of this Section. Beginning on June 30, 2021,
5 medical payments payable from appropriations that have
6 otherwise expired may be paid out of the expiring appropriation
7 during the 4-month period ending at the close of business on
8 October 31.

9 (b-4) Medical payments may be made by the Department of
10 Healthcare and Family Services and medical payments and child
11 care payments may be made by the Department of Human Services
12 (as successor to the Department of Public Aid) from
13 appropriations for those purposes for any fiscal year, without
14 regard to the fact that the medical or child care services
15 being compensated for by such payment may have been rendered in
16 a prior fiscal year; and payments may be made at the direction
17 of the Department of Healthcare and Family Services from the
18 Health Insurance Reserve Fund and the Local Government Health
19 Insurance Reserve Fund without regard to any fiscal year
20 limitations, except as required by subsection (j) of this
21 Section. Beginning on June 30, 2021, medical payments made by
22 the Department of Healthcare and Family Services, child care
23 payments made by the Department of Human Services, and payments
24 made at the discretion of the Department of Healthcare and
25 Family Services from the Health Insurance Reserve Fund and the
26 Local Government Health Insurance Reserve Fund payable from

1 appropriations that have otherwise expired may be paid out of
2 the expiring appropriation during the 4-month period ending at
3 the close of business on October 31.

4 (b-5) Medical payments may be made by the Department of
5 Human Services from its appropriations relating to substance
6 abuse treatment services for any fiscal year, without regard to
7 the fact that the medical services being compensated for by
8 such payment may have been rendered in a prior fiscal year,
9 provided the payments are made on a fee-for-service basis
10 consistent with requirements established for Medicaid
11 reimbursement by the Department of Healthcare and Family
12 Services, except as required by subsection (j) of this Section.
13 Beginning on June 30, 2021, medical payments made by the
14 Department of Human Services relating to substance abuse
15 treatment services payable from appropriations that have
16 otherwise expired may be paid out of the expiring appropriation
17 during the 4-month period ending at the close of business on
18 October 31.

19 (b-6) Additionally, payments may be made by the Department
20 of Human Services from its appropriations, or any other State
21 agency from its appropriations with the approval of the
22 Department of Human Services, from the Immigration Reform and
23 Control Fund for purposes authorized pursuant to the
24 Immigration Reform and Control Act of 1986, without regard to
25 any fiscal year limitations, except as required by subsection
26 (j) of this Section. Beginning on June 30, 2021, payments made

1 by the Department of Human Services from the Immigration Reform
2 and Control Fund for purposes authorized pursuant to the
3 Immigration Reform and Control Act of 1986 payable from
4 appropriations that have otherwise expired may be paid out of
5 the expiring appropriation during the 4-month period ending at
6 the close of business on October 31.

7 (b-7) Payments may be made in accordance with a plan
8 authorized by paragraph (11) or (12) of Section 405-105 of the
9 Department of Central Management Services Law from
10 appropriations for those payments without regard to fiscal year
11 limitations.

12 (c) Further, payments may be made by the Department of
13 Public Health, the Department of Human Services (acting as
14 successor to the Department of Public Health under the
15 Department of Human Services Act), and the Department of
16 Healthcare and Family Services from their respective
17 appropriations for grants for medical care to or on behalf of
18 persons suffering from chronic renal disease, persons
19 suffering from hemophilia, rape victims, and premature and
20 high-mortality risk infants and their mothers and for grants
21 for supplemental food supplies provided under the United States
22 Department of Agriculture Women, Infants and Children
23 Nutrition Program, for any fiscal year without regard to the
24 fact that the services being compensated for by such payment
25 may have been rendered in a prior fiscal year, except as
26 required by subsection (j) of this Section. Beginning on June

1 30, 2021, payments made by the Department of Public Health, the
2 Department of Human Services, and the Department of Healthcare
3 and Family Services from their respective appropriations for
4 grants for medical care to or on behalf of persons suffering
5 from chronic renal disease, persons suffering from hemophilia,
6 rape victims, and premature and high-mortality risk infants and
7 their mothers and for grants for supplemental food supplies
8 provided under the United States Department of Agriculture
9 Women, Infants and Children Nutrition Program payable from
10 appropriations that have otherwise expired may be paid out of
11 the expiring appropriations during the 4-month period ending at
12 the close of business on October 31.

13 (d) The Department of Public Health and the Department of
14 Human Services (acting as successor to the Department of Public
15 Health under the Department of Human Services Act) shall each
16 annually submit to the State Comptroller, Senate President,
17 Senate Minority Leader, Speaker of the House, House Minority
18 Leader, and the respective Chairmen and Minority Spokesmen of
19 the Appropriations Committees of the Senate and the House, on
20 or before December 31, a report of fiscal year funds used to
21 pay for services provided in any prior fiscal year. This report
22 shall document by program or service category those
23 expenditures from the most recently completed fiscal year used
24 to pay for services provided in prior fiscal years.

25 (e) The Department of Healthcare and Family Services, the
26 Department of Human Services (acting as successor to the

1 Department of Public Aid), and the Department of Human Services
2 making fee-for-service payments relating to substance abuse
3 treatment services provided during a previous fiscal year shall
4 each annually submit to the State Comptroller, Senate
5 President, Senate Minority Leader, Speaker of the House, House
6 Minority Leader, the respective Chairmen and Minority
7 Spokesmen of the Appropriations Committees of the Senate and
8 the House, on or before November 30, a report that shall
9 document by program or service category those expenditures from
10 the most recently completed fiscal year used to pay for (i)
11 services provided in prior fiscal years and (ii) services for
12 which claims were received in prior fiscal years.

13 (f) The Department of Human Services (as successor to the
14 Department of Public Aid) shall annually submit to the State
15 Comptroller, Senate President, Senate Minority Leader, Speaker
16 of the House, House Minority Leader, and the respective
17 Chairmen and Minority Spokesmen of the Appropriations
18 Committees of the Senate and the House, on or before December
19 31, a report of fiscal year funds used to pay for services
20 (other than medical care) provided in any prior fiscal year.
21 This report shall document by program or service category those
22 expenditures from the most recently completed fiscal year used
23 to pay for services provided in prior fiscal years.

24 (g) In addition, each annual report required to be
25 submitted by the Department of Healthcare and Family Services
26 under subsection (e) shall include the following information

1 with respect to the State's Medicaid program:

2 (1) Explanations of the exact causes of the variance
3 between the previous year's estimated and actual
4 liabilities.

5 (2) Factors affecting the Department of Healthcare and
6 Family Services' liabilities, including but not limited to
7 numbers of aid recipients, levels of medical service
8 utilization by aid recipients, and inflation in the cost of
9 medical services.

10 (3) The results of the Department's efforts to combat
11 fraud and abuse.

12 (h) As provided in Section 4 of the General Assembly
13 Compensation Act, any utility bill for service provided to a
14 General Assembly member's district office for a period
15 including portions of 2 consecutive fiscal years may be paid
16 from funds appropriated for such expenditure in either fiscal
17 year.

18 (i) An agency which administers a fund classified by the
19 Comptroller as an internal service fund may issue rules for:

20 (1) billing user agencies in advance for payments or
21 authorized inter-fund transfers based on estimated charges
22 for goods or services;

23 (2) issuing credits, refunding through inter-fund
24 transfers, or reducing future inter-fund transfers during
25 the subsequent fiscal year for all user agency payments or
26 authorized inter-fund transfers received during the prior

1 fiscal year which were in excess of the final amounts owed
2 by the user agency for that period; and

3 (3) issuing catch-up billings to user agencies during
4 the subsequent fiscal year for amounts remaining due when
5 payments or authorized inter-fund transfers received from
6 the user agency during the prior fiscal year were less than
7 the total amount owed for that period.

8 User agencies are authorized to reimburse internal service
9 funds for catch-up billings by vouchers drawn against their
10 respective appropriations for the fiscal year in which the
11 catch-up billing was issued or by increasing an authorized
12 inter-fund transfer during the current fiscal year. For the
13 purposes of this Act, "inter-fund transfers" means transfers
14 without the use of the voucher-warrant process, as authorized
15 by Section 9.01 of the State Comptroller Act.

16 (i-1) Beginning on July 1, 2021, all outstanding
17 liabilities, not payable during the 4-month lapse period as
18 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and
19 (c) of this Section, that are made from appropriations for that
20 purpose for any fiscal year, without regard to the fact that
21 the services being compensated for by those payments may have
22 been rendered in a prior fiscal year, are limited to only those
23 claims that have been incurred but for which a proper bill or
24 invoice as defined by the State Prompt Payment Act has not been
25 received by September 30th following the end of the fiscal year
26 in which the service was rendered.

1 (j) Notwithstanding any other provision of this Act, the
2 aggregate amount of payments to be made without regard for
3 fiscal year limitations as contained in subsections (b-1),
4 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and
5 determined by using Generally Accepted Accounting Principles,
6 shall not exceed the following amounts:

7 (1) \$6,000,000,000 for outstanding liabilities related
8 to fiscal year 2012;

9 (2) \$5,300,000,000 for outstanding liabilities related
10 to fiscal year 2013;

11 (3) \$4,600,000,000 for outstanding liabilities related
12 to fiscal year 2014;

13 (4) \$4,000,000,000 for outstanding liabilities related
14 to fiscal year 2015;

15 (5) \$3,300,000,000 for outstanding liabilities related
16 to fiscal year 2016;

17 (6) \$2,600,000,000 for outstanding liabilities related
18 to fiscal year 2017;

19 (7) \$2,000,000,000 for outstanding liabilities related
20 to fiscal year 2018;

21 (8) \$1,300,000,000 for outstanding liabilities related
22 to fiscal year 2019;

23 (9) \$600,000,000 for outstanding liabilities related
24 to fiscal year 2020; and

25 (10) \$0 for outstanding liabilities related to fiscal
26 year 2021 and fiscal years thereafter.

1 (k) The Comptroller must issue payments against
2 outstanding liabilities that were received prior to the lapse
3 period deadlines set forth in this Section as soon thereafter
4 as practical, but no payment may be issued after the 4 months
5 following the lapse period deadline without the signed
6 authorization of the Comptroller and the Governor.

7 (Source: P.A. 96-928, eff. 6-15-10; 96-958, eff. 7-1-10;
8 96-1501, eff. 1-25-11; 97-75, eff. 6-30-11; 97-333, eff.
9 8-12-11.)

10 Section 20. The Illinois Procurement Code is amended by
11 changing Section 20-80 as follows:

12 (30 ILCS 500/20-80)

13 Sec. 20-80. Contract files.

14 (a) Written determinations. All written determinations
15 required under this Article shall be placed in the contract
16 file maintained by the chief procurement officer.

17 (b) Filing with Comptroller. Whenever a grant, defined
18 pursuant to accounting standards established by the
19 Comptroller, or a contract liability, except for: (1) contracts
20 paid from personal services, or (2) contracts between the State
21 and its employees to defer compensation in accordance with
22 Article 24 of the Illinois Pension Code, exceeding \$20,000
23 ~~\$10,000~~ is incurred by any State agency, a copy of the
24 contract, purchase order, grant, or lease shall be filed with

1 the Comptroller within 30 ~~15~~ days thereafter. Beginning January
2 1, 2013, the Comptroller may require that contracts and grants
3 required to be filed with the Comptroller under this Section
4 shall be filed electronically, unless the agency is incapable
5 of filing the contract or grant electronically because it does
6 not possess the necessary technology or equipment. Any agency
7 that is incapable of electronically filing its contracts or
8 grants shall submit a written statement to the Governor and to
9 the Comptroller attesting to the reasons for its inability to
10 comply. This statement shall include a discussion of what the
11 agency needs in order to effectively comply with this Section.
12 Prior to requiring electronic filing, the Comptroller shall
13 consult with the Governor as to the feasibility of establishing
14 mutually agreeable technical standards for the electronic
15 document imaging, storage, and transfer of contracts and
16 grants, taking into consideration the technology available to
17 that agency, best practices, and the technological
18 capabilities of State agencies. Nothing in this amendatory Act
19 of the 97th General Assembly shall be construed to impede the
20 implementation of an Enterprise Resource Planning (ERP)
21 system. For each State contract for goods, supplies, or
22 services awarded on or after July 1, 2010, the contracting
23 agency shall provide the applicable rate and unit of
24 measurement of the goods, supplies, or services on the contract
25 obligation document as required by the Comptroller. If the
26 contract obligation document that is submitted to the

1 Comptroller contains the rate and unit of measurement of the
2 goods, supplies, or services, the Comptroller shall provide
3 that information on his or her official website. Any
4 cancellation or modification to any such contract liability
5 shall be filed with the Comptroller within 30 ~~15~~ days of its
6 execution.

7 (c) Late filing affidavit. When a contract, purchase order,
8 grant, or lease required to be filed by this Section has not
9 been filed within 30 days of execution, the Comptroller shall
10 refuse to issue a warrant for payment thereunder until the
11 agency files with the Comptroller the contract, purchase order,
12 grant, or lease and an affidavit, signed by the chief executive
13 officer of the agency or his or her designee, setting forth an
14 explanation of why the contract liability was not filed within
15 30 days of execution. A copy of this affidavit shall be filed
16 with the Auditor General.

17 (d) Timely execution of contracts. No voucher shall be
18 submitted to the Comptroller for a warrant to be drawn for the
19 payment of money from the State treasury or from other funds
20 held by the State Treasurer on account of any contract unless
21 the contract is reduced to writing before the services are
22 performed and filed with the Comptroller. Vendors shall not be
23 paid for any goods that were received or services that were
24 rendered before the contract was reduced to writing and signed
25 by all necessary parties. A chief procurement officer may
26 request an exception to this subsection by submitting a written

1 statement to the Comptroller and Treasurer setting forth the
2 circumstances and reasons why the contract could not be reduced
3 to writing before the supplies were received or services were
4 performed. A waiver of this subsection must be approved by the
5 Comptroller and Treasurer. This Section shall not apply to
6 emergency purchases if notice of the emergency purchase is
7 filed with the Procurement Policy Board and published in the
8 Bulletin as required by this Code.

9 (e) Method of source selection. When a contract is filed
10 with the Comptroller under this Section, the Comptroller's file
11 shall identify the method of source selection used in obtaining
12 the contract.

13 (Source: P.A. 96-794, eff. 1-1-10; 96-795, eff. 7-1-10 (see
14 Section 5 of P.A. 96-793 for the effective date of changes made
15 by P.A. 96-795); 96-1000, eff. 7-2-10.)

16 Section 25. The State Prompt Payment Act is amended by
17 changing Section 3-2 as follows:

18 (30 ILCS 540/3-2)

19 Sec. 3-2. Beginning July 1, 1993, in any instance where a
20 State official or agency is late in payment of a vendor's bill
21 or invoice for goods or services furnished to the State, as
22 defined in Section 1, properly approved in accordance with
23 rules promulgated under Section 3-3, the State official or
24 agency shall pay interest to the vendor in accordance with the

1 following:

2 (1) Any bill, except a bill submitted under Article V
3 of the Illinois Public Aid Code and except as provided
4 under paragraph (1.05) of this Section, approved for
5 payment under this Section must be paid or the payment
6 issued to the payee within 60 days of receipt of a proper
7 bill or invoice. If payment is not issued to the payee
8 within this 60-day period, an interest penalty of 1.0% of
9 any amount approved and unpaid shall be added for each
10 month or fraction thereof after the end of this 60-day
11 period, until final payment is made. Any bill, except a
12 bill for pharmacy or nursing facility services or goods,
13 and except as provided under paragraph (1.05) ~~1.05~~ of this
14 Section, submitted under Article V of the Illinois Public
15 Aid Code approved for payment under this Section must be
16 paid or the payment issued to the payee within 60 days
17 after receipt of a proper bill or invoice, and, if payment
18 is not issued to the payee within this 60-day period, an
19 interest penalty of 2.0% of any amount approved and unpaid
20 shall be added for each month or fraction thereof after the
21 end of this 60-day period, until final payment is made. Any
22 bill for pharmacy or nursing facility services or goods
23 submitted under Article V of the Illinois Public Aid Code,
24 except as provided under paragraph (1.05) of this Section,
25 and approved for payment under this Section must be paid or
26 the payment issued to the payee within 60 days of receipt

1 of a proper bill or invoice. If payment is not issued to
2 the payee within this 60-day period, an interest penalty of
3 1.0% of any amount approved and unpaid shall be added for
4 each month or fraction thereof after the end of this 60-day
5 period, until final payment is made.

6 (1.05) For State fiscal year 2012 and future fiscal
7 years, any bill approved for payment under this Section
8 must be paid or the payment issued to the payee within 90
9 days of receipt of a proper bill or invoice. If payment is
10 not issued to the payee within this 90-day period, an
11 interest penalty of 1.0% of any amount approved and unpaid
12 shall be added for each month, or 00.0033% (1/30%) of any
13 amount approved and unpaid for each day, ~~fraction thereof~~
14 after the end of this 90-day period, until final payment is
15 made.

16 (1.1) A State agency shall review in a timely manner
17 each bill or invoice after its receipt. If the State agency
18 determines that the bill or invoice contains a defect
19 making it unable to process the payment request, the agency
20 shall notify the vendor requesting payment as soon as
21 possible after discovering the defect pursuant to rules
22 promulgated under Section 3-3; provided, however, that the
23 notice for construction related bills or invoices must be
24 given not later than 30 days after the bill or invoice was
25 first submitted. The notice shall identify the defect and
26 any additional information necessary to correct the

1 defect. If one or more items on a construction related bill
2 or invoice are disapproved, but not the entire bill or
3 invoice, then the portion that is not disapproved shall be
4 paid.

5 (2) Where a State official or agency is late in payment
6 of a vendor's bill or invoice properly approved in
7 accordance with this Act, and different late payment terms
8 are not reduced to writing as a contractual agreement, the
9 State official or agency shall automatically pay interest
10 penalties required by this Section amounting to \$50 or more
11 to the appropriate vendor. Each agency shall be responsible
12 for determining whether an interest penalty is owed and for
13 paying the interest to the vendor. Except as provided in
14 paragraph (4), an individual interest payment amounting to
15 \$5 or less shall not be paid by the State. Interest due to
16 a vendor that amounts to greater than \$5 and less than \$50
17 shall not be paid but shall be accrued until all interest
18 due the vendor for all similar warrants exceeds \$50, at
19 which time the accrued interest shall be payable and
20 interest will begin accruing again, except that interest
21 accrued as of the end of the fiscal year that does not
22 exceed \$50 shall be payable at that time. In the event an
23 individual has paid a vendor for services in advance, the
24 provisions of this Section shall apply until payment is
25 made to that individual.

26 (3) The provisions of Public Act 96-1501 reducing the

1 interest rate on pharmacy claims under Article V of the
2 Illinois Public Aid Code to 1.0% per month shall apply to
3 any pharmacy bills for services and goods under Article V
4 of the Illinois Public Aid Code received on or after the
5 date 60 days before January 25, 2011 (the effective date of
6 Public Act 96-1501) except as provided under paragraph
7 (1.05) of this Section.

8 (4) Interest amounting to less than \$5 shall not be
9 paid by the State, except for claims (i) to the Department
10 of Healthcare and Family Services or the Department of
11 Human Services, (ii) pursuant to Article V of the Illinois
12 Public Aid Code, the Covering ALL KIDS Health Insurance
13 Act, or the Children's Health Insurance Program Act, and
14 (iii) made (A) by pharmacies for prescriptive services or
15 (B) by any federally qualified health center for
16 prescriptive services or any other services.

17 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
18 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
19 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.
20 6-30-11; 97-348, eff. 8-12-11; revised 9-7-11.)

21 Section 30. The Governmental Account Audit Act is amended
22 by changing Section 2 as follows:

23 (50 ILCS 310/2) (from Ch. 85, par. 702)

24 Sec. 2. Except as otherwise provided in Section 3, the

1 governing body of each governmental unit shall cause an audit
2 of the accounts of the unit to be made by a licensed public
3 accountant. Such audit shall be made annually and shall cover
4 the immediately preceding fiscal year of the governmental unit.
5 The audit shall include all the accounts and funds of the
6 governmental unit, including the accounts of any officer of the
7 governmental unit who receives fees or handles funds of the
8 unit or who spends money of the unit. The audit shall begin as
9 soon as possible after the close of the last fiscal year to
10 which it pertains, and shall be completed and the audit report
11 filed with the Comptroller within 6 months after the close of
12 such fiscal year unless an extension of time is granted by the
13 Comptroller in writing. An audit report which fails to meet the
14 requirements of this Act shall be rejected by the Comptroller
15 and returned to the governing body of the governmental unit for
16 corrective action. The licensed public accountant making the
17 audit shall submit not less than 3 copies of the audit report
18 to the governing body of the governmental unit being audited.

19 Any financial report under this Section shall include the
20 name of the purchasing agent who oversees all competitively bid
21 contracts. If there is no purchasing agent, the name of the
22 person responsible for oversight of all competitively bid
23 contracts shall be listed.

24 (Source: P.A. 85-1000.)

25 Section 35. The Counties Code is amended by changing

1 Section 6-31003 as follows:

2 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

3 Sec. 6-31003. Annual audits and reports. In counties having
4 a population of over 10,000 but less than 500,000, the county
5 board of each county shall cause an audit of all of the funds
6 and accounts of the county to be made annually by an accountant
7 or accountants chosen by the county board or by an accountant
8 or accountants retained by the Comptroller, as hereinafter
9 provided. In addition, each county having a population of less
10 than 500,000 shall file with the Comptroller a financial report
11 containing information required by the Comptroller. Such
12 financial report shall be on a form so designed by the
13 Comptroller as not to require professional accounting services
14 for its preparation.

15 Any financial report under this Section shall include the
16 name of the purchasing agent who oversees all competitively bid
17 contracts. If there is no purchasing agent, the name of the
18 person responsible for oversight of all competitively bid
19 contracts shall be listed.

20 The audit shall commence as soon as possible after the
21 close of each fiscal year and shall be completed within 6
22 months after the close of such fiscal year, unless an extension
23 of time is granted by the Comptroller in writing. Such
24 extension of time shall not exceed 60 days. When the accountant
25 or accountants have completed the audit a full report thereof

1 shall be made and not less than 2 copies of each audit report
2 shall be submitted to the county board. Each audit report shall
3 be signed by the accountant making the audit and shall include
4 only financial information, findings and conclusions that are
5 adequately supported by evidence in the auditor's working
6 papers to demonstrate or prove, when called upon, the basis for
7 the matters reported and their correctness and reasonableness.
8 In connection with this, each county board shall retain the
9 right of inspection of the auditor's working papers and shall
10 make them available to the Comptroller, or his designee, upon
11 request.

12 Within 60 days of receipt of an audit report, each county
13 board shall file one copy of each audit report and each
14 financial report with the Comptroller and any comment or
15 explanation that the county board may desire to make concerning
16 such audit report may be attached thereto. An audit report
17 which fails to meet the requirements of this Division shall be
18 rejected by the Comptroller and returned to the county board
19 for corrective action. One copy of each such report shall be
20 filed with the county clerk of the county so audited.

21 (Source: P.A. 86-962.)

22 Section 40. The Illinois Municipal Code is amended by
23 changing Section 8-8-3 as follows:

24 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

1 Sec. 8-8-3. Audit requirements.

2 (a) The corporate authorities of each municipality coming
3 under the provisions of this Division 8 shall cause an audit of
4 the funds and accounts of the municipality to be made by an
5 accountant or accountants employed by such municipality or by
6 an accountant or accountants retained by the Comptroller, as
7 hereinafter provided.

8 (b) The accounts and funds of each municipality having a
9 population of 800 or more or having a bonded debt or owning or
10 operating any type of public utility shall be audited annually.
11 The audit herein required shall include all of the accounts and
12 funds of the municipality. Such audit shall be begun as soon as
13 possible after the close of the fiscal year, and shall be
14 completed and the report submitted within 6 months after the
15 close of such fiscal year, unless an extension of time shall be
16 granted by the Comptroller in writing. The accountant or
17 accountants making the audit shall submit not less than 2
18 copies of the audit report to the corporate authorities of the
19 municipality being audited. Municipalities not operating
20 utilities may cause audits of the accounts of municipalities to
21 be made more often than herein provided, by an accountant or
22 accountants. The audit report of such audit when filed with the
23 Comptroller together with an audit report covering the
24 remainder of the period for which an audit is required to be
25 filed hereunder shall satisfy the requirements of this section.

26 (c) Municipalities of less than 800 population which do not

1 own or operate public utilities and do not have bonded debt,
2 shall file annually with the Comptroller a financial report
3 containing information required by the Comptroller. Such
4 annual financial report shall be on forms devised by the
5 Comptroller in such manner as to not require professional
6 accounting services for its preparation.

7 (d) In addition to any audit report required, all
8 municipalities, except municipalities of less than 800
9 population which do not own or operate public utilities and do
10 not have bonded debt, shall file annually with the Comptroller
11 a supplemental report on forms devised and approved by the
12 Comptroller.

13 (e) Notwithstanding any provision of law to the contrary,
14 if a municipality (i) has a population of less than 200, (ii)
15 has bonded debt in the amount of \$50,000 or less, and (iii)
16 owns or operates a public utility, then the municipality shall
17 cause an audit of the funds and accounts of the municipality to
18 be made by an accountant employed by the municipality or
19 retained by the Comptroller for fiscal year 2011 and every
20 fourth fiscal year thereafter or until the municipality has a
21 population of 200 or more, has bonded debt in excess of
22 \$50,000, or no longer owns or operates a public utility.
23 Nothing in this subsection shall be construed as limiting the
24 municipality's duty to file an annual financial report with the
25 Comptroller or to comply with the filing requirements
26 concerning the county clerk.

1 (f) Any financial report under this Section shall include
2 the name of the purchasing agent who oversees all competitively
3 bid contracts. If there is no purchasing agent, the name of the
4 person responsible for oversight of all competitively bid
5 contracts shall be listed.

6 (Source: P.A. 96-1309, eff. 7-27-10.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.